



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



RECEIVED

FEB 07 2007

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:

3474

U-07064-027821

(UT-924)

FEB 06 2007

James F. Kohler
1/007/0039

CERTIFIED MAIL – Return Receipt Requested

DECISION

Canyon Fuel Company, LLC.
c/o Arch Coal Inc.
City Place One, Suite 300
St. Louis, MO 63141

Coal Lease
U-07064-027821

Surety:
St. Paul Fire & Marine Ins. Co.
385 Washington Street
St Paul, MN 55102

Current Bond Amount: \$900,000
Bond No: 400SA1538

Bond Increase Required

Canyon Fuel Company, LLC currently has on file with the Utah State Office of the Bureau of Land Management a coal lease surety bond in the amount of \$900,000 to cover coal lease U-07064-027821. The surety for this bond is St. Paul Fire & Marine Ins. Co. The surety bond number is 400SA1538. The BLM Bond No. is UT1243.

Regulations at 43 CFR 3504.60 allow for the amount of any bond to be increased/decreased when additional/less coverage is determined to be appropriate. The Utah State Office, in conjunction with the Price Field Office, is requiring that your bond for coal lease U-07064-027821 be increased to \$2,076,000 based on the present production covered by this lease.

This bond amount may be increased by either a rider to the current bond, or by submitting an entirely new bond for the required amount. Enclosed are forms and instructions for submitting a new bond. If you do not agree with the bond amount, you must submit written justification to this office clarifying your position for a lesser bond amount.

A compliance period of 30 days from the receipt of this decision will be allowed to submit the above bond.

James F. Kohler

James F. Kohler
Chief, Branch of
Solid Minerals

Enclosure

1. Surety Bond Form
cc: State Division of Oil, Gas and Mining
Price Field Office